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STATE FOR WHA/BSC, NEA/NGA
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SUBJECT: BRAZIL: SENATOR CORNYN VISITS TRI-BORDER REGION

REF: (A) Asuncion 731

11. (SBU) SUMMARY. Senator John Cornyn of Texas and his Foreign Affairs Advisor Russ Thomasson visited Brazil and Paraguay on July 1-3 in order to study issues involving the tri-border region. The Senator sits on several subcommittees that provide oversight for matters involving the region, including the Armed Services Committee's Subcommittee on Emerging Threats and Capabilities, which he chairs, and the Judiciary Committee's Subcommittee on Immigration, Border Security, and Citizenship, which he also chairs. Senator Cornyn also sits on the Judiciary Committee's Subcommittee on Intellectual Property, and on the Subcommittee on Terrorism, Technology, and Homeland Security. He began and ended his visit to the region in Sao Paulo, where he was hosted by the Consul General and given briefings at the Consulate General, including a core Country Team briefing with Embassy Brasilia led by Charg Chicola via Digital Video Conference (DVC). On the Brazilian side of the tri-border area the Senator met a federal police commander who described the challenges of managing with limited resources a busy border crossing known for contraband smuggling, and toured the warehouse facilities where seized contraband is kept. The Senator also crossed the infamous Friendship Bridge for several meetings in Paraguay (ref A). END SUMMARY.

OVERVIEW FROM U.S. MISSION BRAZIL

12. (SBU) Upon arrival to Brazil on July 1, Senator Cornyn was given a briefing via DVC by Charg d'Affaires Phil Chicola regarding the relationship between the United States and Brazil, and the priorities and strategies of the U.S. Mission to Brazil. The Charg was joined by several Embassy Section Chiefs, and in Sao Paulo, several other Embassy Attaches and Consulate General Section Chiefs were also present to answer questions and brief the Senator on specific areas of interest. Significant attention was paid to immigration issues, as prior to October 2005 when Mexico renewed its visa requirement for Brazilians, Brazilians had become the second highest population attempting entry into the United States illegally in the category of Other than Mexicans (OTMs). Additionally, Non-Immigrant Visa (NIV) applications have increased by over forty percent at all U.S. NIV posts in Brazil in the last year and a half, with no signs of demand slowing.

13. (SBU) Senator Cornyn was also given a classified briefing by several law enforcement and security offices at the Embassy and Consulate General, focusing on issues of transnational threats including terrorist financing, drug trafficking, and contraband goods that are presented by the porous and largely uncontrolled borders where Argentina, Brazil and Paraguay meet.

TRYING TO STEM THE CRIME WITHOUT CHOKING THE TRADE

14. (SBU) The Senator was taken to the tri-border area, and on July 2 he met with Jose Carlos de Araujo, regional police commander for Brazil's combined revenue and customs agency (Receita Federal). Araujo gave an overview of the challenges he faces commanding an under-manned border crossing between Brazil and Paraguay that is choked with both foot and vehicle traffic on most days. Contraband goods, both fake items with false labels and goods that are not declared for customs and tax purposes, are known to flow across the border almost freely for sale largely in the metropolis of Sao Paulo. Araujo said more than 10,000 people, mostly Brazilians, make their living from illegal cross-border trade, which is valued at nearly one billion dollars per year. One of the greatest challenges, he said, was convincing people that these activities are not only illegal, but simply wrong. Another challenge is the integration of federal, state and local law enforcement to combat the movement of contraband and related criminal activity.

15. (SBU) Araujo noted some success in the last five years, during which time Brazil has gradually tightened controls on the bridge. He notes that there was a time when literally hundreds of busses would gather in a tight convoy on the Paraguay side of the border and drive across the bridge into Brazil without stopping, usually

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laden with contraband goods. The handful of Araujo's men and highway patrolmen could do nothing to stop them. Even on normal days, when Brazilian officials check suspicious vehicles crossing the border, the resulting wait on the Paraguay side can reach more than three hours. When officials hold up traffic for too long, they often face revolts by local businessmen claiming their livelihoods are being ruined by government bureaucracy.

16. (SBU) Araujo said that, in general, busses are no longer used to transport contraband across the bridge because his men eventually became effective at stopping and impounding them. Taxis and personal cars are now the most common modes of transporting illegal merchandise, with smugglers brazenly filling vehicles' trunks and back seats with goods. Brazil has recently built a new warehouse to hold contraband goods, and a large new Customs and Immigration facility at the Brazilian end of the narrow, two-lane cross-border bridge is nearing completion. The Brazilian government plans to open more traffic lanes on its side, as well as a larger inspection area to fulfill Araujo's goal of eventually conducting 100 percent inspections of vehicles and people entering Brazil from Paraguay.

HOW THE USG CAN HELP

17. (SBU) When asked by the Senator how the USG might help his efforts, Araujo stated plainly that first, we may be able to influence the government of Paraguay to be less antagonistic; he said the GoP often decries Brazilian customs and border control efforts as corrupt and unfair to Paraguayan interests. Secondly, he suggested that we may be able to stem some of the contraband movement and financing that the GoB believes passes through companies based in Miami. (NOTE: The Consul General passed this information to officials with the U.S. Department of Homeland Security, who will follow up with Araujo on this issue. END NOTE)

BEYOND FRIENDSHIP BRIDGE

18. (SBU) After a tour of the Brazilian Customs warehouse that

stores contraband goods, the Senator was taken across the infamous Friendship Bridge between Brazil and Paraguay, shown several ways that contraband makes its way across the border, and then was hosted by Embassy Asuncion in several meetings and tours in Paraguay. The Paraguay portion of the CODEL is reported in ref A from Embassy Asuncion.

¶9. (SBU) COMMENT: This CODEL was a good opportunity for regional missions to highlight to the Senator the realities on the ground regarding issues of immigration, contraband and transnational crime that involve the tri-border region. A general lack of resources still plagues Brazil's efforts to better control its borders, but it appears that progress is being made, however incrementally. We will continue our efforts to provide what assistance we can to GoB officials, and to explore opportunities for greater bilateral and multilateral cooperation. END COMMENT.

¶10. (U) This cable was coordinated/cleared by Embassy Brasilia, Embassy Asuncion, the Chief of the U.S. Army Liaison to the Senate (Barbero), and the Office of Senator John Cornyn.

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